



Suzanne Henderson

Right-of-Way Grant

STATE OF TEXAS §
COUNTY OF TARRANT §

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, the Mansfield Economic Development Corporation, a nonprofit corporation organized under the Development Corporation Act of 1979, Article 5190.6 V.A.T.C.S., Section 4A (the "MEDC"), hereinafter called Grantor, for valuable consideration received, does hereby Grant, Bargain, Sell and Convey to: Carrizo Oil & Gas, Inc., a Texas Corporation, hereinafter referred to as Grantee, its successors and assigns, the right, privilege, and easement to survey, clear and excavate for, lay, construct, reconstruct, operate, maintain, inspect, test, repair, alter, protect, move, remove, change the size of, replace, and abandon in place a pipeline(s) and appurtenances for the transportation of oil, gas, or other substances transportable by pipeline, together with all other rights necessary or convenient for the enjoyment of the right, privileges, and easement hereby granted, over, below, above and along an easement which shall be sixty (60) feet in width during the period of initial construction and in addition may use additional temporary work space as may be needed. After initial construction has been completed, the easement shall revert to twenty (20) feet in width, and which easement is on and across the following described land in Tarrant County, Texas, to wit:

WHEREAS, The Grantor owns the real property designated as _____ (the "Property"), located in the City of Mansfield, Texas ("City");

WHEREAS, Grantee desires, at its sole cost and expense to construct, operate and maintain an 8" diameter buried natural gas gathering line which will cross through, under and along the Property; and

WHEREAS, under the conditions and restrictions hereinafter set forth, the exercise by Grantee of the rights granted herein will not be incompatible with the requirements of the Grantor for the use, operation and maintenance of the Property; and

WHEREAS, the granting of such Right-of-Way Grant to Grantee must be subject to the use of the land for all purposes by the MEDC for an approved "project," as that term is defined pursuant to the Development Corporation Act of 1979.

NOW THEREFORE, the parties agree as follows:

1. Grant of Right of Way

The Grantor, to the extent of its interest therein, hereby grants an Easement to construct, operate and maintain one buried natural gas gathering line crossing through, under and along the Property at the locations shown on Exhibit A which is attached hereto and made part hereof by reference, subject to revocation as herein provided. The Right of Way Grant herein shall be nonexclusive and the Grantor reserves the right to grant rights and licenses across, over, under and along the Property to such other person the Grantor deems proper. The Right of Way Grant shall at all times be subject to the lawful exercise of the police power by the City.

2. Plans and Specifications

Construction of the pipeline shall be in accordance with plans and specifications which are to be furnished by the City Engineer and Director of Public Works for the City of Mansfield.

Construction shall not be commenced, however, until the City Engineer and Director of Public Works have approved such plans and specifications by written notification of Grantee. Such plans and specifications when furnished and approved, shall by this reference be incorporated herein and made part hereof.

3. Time of Construction

Construction shall be accomplished by Grantee at such time or times as will not unduly interfere with the use of the Property as determined by the Director of Public Works of the City prior to commencement of construction.

4. Bond

Prior to commencement of any work on the Property that requires a cut, opening or other excavation, Grantee shall deliver the Grantor a bond executed by a corporate surety authorized to do business in the State of Texas and acceptable to the Grantor in the amount of fifty thousand Dollars (\$50,000.00) or an amount sufficient to restore the Property affected by the cut, opening or other excavation if such amount is readily discernible and acceptable to the Director of Public Works of the City. The bond shall guarantee that the Grantee shall (i) restore the Property affected by such cut, opening or other excavation in a satisfactory and workmanlike manner; (ii) maintain such restoration work in a state or repair satisfactory to the Grantor for a period of one (1) year following the date of restoration; and (iii) fully comply with the terms and conditions of the permit and the City's ordinances governing excavation in the Property. If the Grantee meets its obligations under this Section, the Grantor shall return the bond to the Grantee upon expiration of such one (1) year period.

5. Use of Property

A. Minimal Interference

Grantee's pipeline facilities shall be installed and maintained in a manner that causes minimal interference with the public's use of the Property and with the rights or reasonable convenience of the occupants of the property which adjoins the Property. Grantee shall comply with all applicable rules, regulations and requirements of the City, including, but not limited to, those related to permissible hours of construction and any other construction rules or regulations that may be promulgated from time to time. In addition, during any such work, Grantee shall provide construction and maintenance signs and sufficient barricades at the work site to protect the public.

B. Burial of Pipeline

Grantee shall bury or have buried its pipeline facilities at least forty eight (48") inches below the surface grade. Licensee shall place signs at reasonable intervals requested by the Grantor that alert the general public to the presence of such pipeline facilities. In addition, during backfill of the pipeline excavation, Buried Pipeline warning tape shall be buried one (1) foot above the pipeline to warn future excavators of the presence of the pipeline.

C. Repairs

Licensee shall repair any damage to the Property or roads surrounding the Property (including any improvements located thereon) resulting from the Grantee's use of such portion of the Property.

D. Prohibited Substances

Grantee shall not use the Property in any manner which violates any federal, state or local law, regulation, rule or ordinance or which constitutes a public or private nuisance. Grantee shall not locate, place, generate, store, manufacture, use or dispose of on or about such right-of-way any chemical, pollutant, toxic substance, hazardous material, waste or other substance that is the subject of any federal, state or local law, regulation, rule or ordinance pertaining to public health, safety or to the protection of conservation of the environment.

E. Removal of Waste

Grantee shall remove all waste from installation of the pipeline within a reasonable time after installation of the pipeline, as approved by the Director of Public Works for the City.

F. Operation of Pipeline

All pipeline operations shall be conducted in accordance with the practices of a reasonable and prudent operator in the State of Texas and with state and/or federal laws, regulations, rules and requirements. All laws, regulations, rules and requirements regarding protection of the public health, water supply and natural resources shall be strictly followed.

G. Drainage

Grantee shall plan and execute construction of Grantee's pipeline so that no flood conditions are created or worsened on the surrounding land.

H. Re-vegetation

In order to minimize erosion and sedimentation resulting from the proposed pipeline installation, the excavated portion of the Property shall be re-vegetated in accordance with Exhibit B which specifies the appropriate grass seed mix to be used.

I. Abandonment of pipeline

Upon abandonment of pipeline, within two (2) months of abandonment, the pipeline shall be decommissioned in accordance with the rules and regulation of the State of Texas in effect at that time.

6. Bond

6.1 Use of Property

Grantee shall provide Grantor with proof that Grantee has insurance of the following types and limits in effect:

Commercial General Liability \$5,000,000 per occurrence

Property Damage Liability \$1,000,000 per occurrence

Automobile Liability \$1,000,000 per accident including, but not limited to, all owner, hired or non-owned motor vehicles used in conjunction Grantee's use of the Property.

Grantee's insurance shall be underwritten by entities authorized to do business in the State of Texas and who are acceptable to the Grantor in terms of solvency and financial strength. Grantee's insurance policy or policies shall name the Grantor as an additional insured and cover all public risks related to Grantee's use of the Property. Deductible or self-insured retention limits any line of coverage required herein shall not exceed \$25,000 in the annual aggregate unless the limit per occurrence, or per line of coverage, or aggregate is otherwise approved by the Grantor. The Grantor shall have the right to revise the insurance coverage requirements under this Agreement upon a reasonable determination by the Grantor that Grantee's use of the Property mandates such a revision. Grantee shall comply with such revised requirements within ten (10) calendar days of receipt of written notice from the Grantor of such revision. Such policies shall provide that the amount of coverage cannot be reduced, or the coverage canceled, without thirty (30) days prior written notice to the Grantor.

6.2 Required of Grantee's Contractors

Grantee shall require any contractors who undertake construction, installation, maintenance, repairs or work that requires the excavation or other physical use of the Property to maintain insurance of the same types and limits and on the same conditions as provided by Section 6.1 of this Agreement.

7. Indemnity

GRANTEE SHALL INDEMNIFY AND HOLD THE GRANTOR, THE CITY AND THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS, LIENS, LOSSES, EXPENSES, FEES (INCLUDING REASONABLE ATTORNEYS FEES AND COSTS OF DEFENSE), PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING PERSONAL OR BODILY INJURY (INCLUDING DEATH), PROPERTY DAMAGE, OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT IS FOUND BY A COURT OF COMPETENT JURISDICTION TO BE CAUSED BY NEGLIGENT ACT, ERROR, OR OMISSION OF GRANTEE OR OTHER AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, AFFILIATE OR SUBCONTRACTOR OF GRANTEE, OR THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS OR REPRESENTATIVES, WHILE INSTALLING, REPAIRING, OR MAINTAINING FACILITIES ON THE PROPERTY. THE INDEMNITY PROVIDED UNDER THIS SECTION DOES NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OF THE GRANTOR OR CITY, THEIR RESPECTIVE OFFICERS, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS. IF GRANTEE AND THE GRANTOR (AND/ OR CITY) ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE GRANTOR OR CITY UNDER TEXAS LAW AND WITHOUT WAVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

8. Grantee as Independent Contractor

It is expressly agreed and understood that Grantee shall operate as an independent contractor as to all rights and privileges granted by this Agreement, and not as an agent, representative or employee of the Grantor. Grantee acknowledges that the doctrine of *respondent superior* shall not apply as between the Grantor and Grantee, its officer's agents, employees, contractors and subcontractors. Grantee further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between the Grantor and the Grantee.

9. Compliance with Laws

Grantee agrees to comply with all federal, state and local law; all ordinances, rules and regulations, of the City, and all rules and regulations established by the Director in order to protect the public health, safety and welfare.

10. Governing Law and Venue

This Agreement shall be construed pursuant to and in accordance with the laws of the State of Texas. Venue for any action, whether real or asserted, at law or in equity, that arises out of the terms of this Agreement shall lie exclusively in state courts located in Tarrant County, Texas.

11. Conferences

At the request of Grantor, the Grantor and Grantee shall meet at reasonable times and upon reasonable notice to discuss any aspect of this Agreement or Grantee's use of the Property.

12. Severability

If any provision of this Agreement is held to be invalid, illegal or unenforceable by a final order entered by a court of competent jurisdiction, the validity, legality and enforceability

of the remaining provisions shall not in any way be affected or impaired. For purposes of this Agreement, a court order shall be final only to the extent that all available legal rights and remedies pertaining to such order, including without limitation all available appeals, have been exhausted.

13. Headings not Controlling

Headings and titles that are used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

14. Parties Bound

The rights, duties and obligations created by this Agreement shall be binding upon and inure to the benefit of the Grantor, Grantee, and their successors and permitted assignees.

15. Entirety of Agreement

This Agreement contains the entire understanding and agreement between the Grantor and the Grantee as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with the terms and conditions of this Agreement. This Agreement shall not be amended unless agreed to in writing by both parties.

Executed this 15th day of July, 2008

GRANTOR:

MEDC
(Individually and in all Capacities for the
above described Land)

Name:

JERRY HEFTLER

Title:

MEDC V.P.

GRANTEE:

(Individually and in all Capacities for the
above described Land)

Name:

Andrew F. Agosto

Title:

VICE PRESIDENT

STATE OF TEXAS

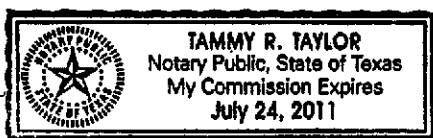
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BEFORE ME, on this day personally appeared Jerry Heftler, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that she/he executed the same for purposes and considerations therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15th day of July, 2008.

Notary Public in the State of Texas.

SEAL



Signature of Notary:

Tammy R. Taylor

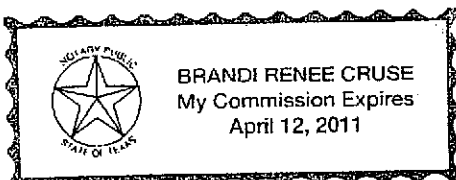
STATE OF TEXAS

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BEFORE ME, on this day personally appeared Andrew F. Agosto, known to me to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that she/he executed the same for purposes and considerations therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15th day of August, 2008.

Notary Public in the State of Texas.



SEAL:

Signature of Notary: 